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July 9, 2008

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Ms. Mary Nichols Chair, California Air Resources Board P.O. Box 2815 Sacramento, CA 95812

Dear Chairwoman Nichols,

On behalf of the Silicon Valley Leadership Group, I am writing to urge you to prioritize policies to reduce vehicle miles traveled (VMT) in the AB 32 Scoping Plan.

The Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 270 of Silicon Valley's most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley, including energy, transportation, education, housing, health care, tax policies, economic vitality and the environment. Leadership Group members collectively provide more than 250,000 local jobs, or one of every four private sector jobs in Silicon Valley.

In a 2008 survey by the Silicon Valley Leadership Group, 134 Leadership Group CEOs ranked high housing costs and transportation congestion as number one and two, respectively, on a list of challenges to doing business in Silicon Valley. Local governments face the huge challenge of funding transit, roads, and other basic infrastructure and services and at the same time making land use decisions that solve our environmental, social, and economic problems. Likewisc, developers find it more difficult and expensive to build climate friendly developments, and continue the auto-centric development that has existed for decades. If done right, the AB 32 Scoping Plan has the potential to change this situation and significantly improve both traffic congestion and the housing crisis in California.

The AB 32 Scoping Plan is a major opportunity to provide leadership and set policy direction not only to reduce greenhouse gas emissions but also to improve the business climate by reducing traffic and housing pressures. Therefore, we urge you

1. Focus state capital programs to provide funding to local governments that are planning for climate-friendly development.

Plan for higher CO2 reductions through smart transportation and land use

planning.

3. Implement this by supporting more innovative measures that can also reduce congestion and commute times and incentivize climate-friendly development (including those still under evaluation by CARB).

The state should match the leadership that is already happening throughout California by making VMT reduction a significant part of California's climate strategy and providing the resources needed to make it happen.

Sincercly,

Shiloh Ballard

Director, Housing & Community Development

